

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

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For Immediate Release

NEWS RELEASE SUMMARY - March 23, 2006

United States Attorney Carol C. Lam announced that Amar Alghazouli was found guilty by a federal jury earlier today in United States District Court in San Diego of Conspiracy to Sell Merchandise Contrary to Law, Sale of Merchandise Imported Contrary to Law, Conspiracy to Launder Money, and Unlawful Sale of Freon. The jury, by its verdict, also required the defendant to forfeit \$135,000 in currency and a home in Chandler, Arizona, to the United States.

According to the evidence presented at trial, the defendant operated a business in San Diego known as United Auto Supply, through which he sold automotive supplies, including the refrigerant known as R-12 or Freon. During the course of the trial, the jurors heard testimony from three different Freon smugglers that the conspirators (the defendant and his brothers, Ahed and Omran Alghazouli) made cash purchases of the refrigerant in parking lots in the San Diego area from individuals known to have smuggled it into the United States from Mexico. The evidence also showed that the exterior of the cylinders of refrigerant sold by the defendant were modified to disguise their origin prior to sale. The evidence further showed that the defendant

and his coconspirators sold the illegally imported refrigerant to automotive repair shops in the San Diego and Los Angeles areas, as well as to an individual who did not have the proper certification.

According to Assistant U.S. Attorney Melanie K. Pierson, who prosecuted the case, R-12 (commonly known by the Dupont tradename “Freon”) is a refrigerant used primarily in automobile air conditioning units and it is considered to be an ozone depleting substance. The United States ratified the Montreal Protocol on Ozone Depleting Substances and enacted Section 7671 of Title 42 (part of the Clean Air Act) in 1990 to empower the EPA to promulgate regulations to effectuate the treaty. The purpose of the Montreal Protocol was to phase out the use of ozone depleting substances. Pursuant to the treaty, the manufacture and importation of R-12 Freon was phased out in the United States, with the result that by January 1, 1996, it was unlawful to manufacture and import R-12 Freon into the United States.

Mexico, as a developing country under the Montreal Protocol, was given an additional 15 years in which to phase out the manufacture of R-12 Freon, which created an active U.S. black market in smuggled Freon. The sale of R-12 Freon in the United States is not prohibited so that existing stocks of R-12 Freon can be sold. EPA regulations, however, make it unlawful to sell R-12 refrigerant to anyone who is not a certified buyer (achieved by taking a class and demonstrating that the user possesses the required equipment to recapture the Freon that will be removed from the vehicle’s air conditioning unit).

Following the jury’s verdict, U.S. District Court Judge John Houston ordered that the defendant be remanded to custody. Amar Alghazouli is scheduled to be sentenced by Judge Houston on July 7, 2006, at 9:00 a.m.

DEFENDANT

Criminal Case No. 05-CR-1148-JAH

Amar Alghazouli

SUMMARY OF CHARGES

Count 1 Title 18, U.S.C., Sec. 371 - Conspiracy
Maximum Penalty: 5 years in custody and \$250,000 fine

Counts 2,6 Title 18, U.S.C., Sec. 545 - Sale of Merchandise Imported Contrary to Law
Maximum Penalty: 5 years in custody and \$250,000 fine

Count 8 Title 18, U.S.C., Sec. 1956(h) - Conspiracy to Launder Money
Maximum Penalty: 20 years in custody and a fine of up to \$500,000

Count 15 Title 42, U.S.C. Sec. 7413(c) - Unlawful Sale of Freon
Maximum Penalty: 5 years in custody and \$250,000 fine

Title 18, U.S.C., Sec. 982 - Forfeiture

AGENCIES

U.S. Environmental Protection Agency, Criminal Investigations Division
Federal Bureau of Investigation
Immigration and Customs Enforcement
Department of Transportation, Office of Inspector General